

**ALLINGTON PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 1 DECEMBER 2012 TO 31 AUGUST 2013



**COMPANY REGISTRATION NUMBER
08249884 (ENGLAND AND WALES)**

ALLINGTON PRIMARY SCHOOL
FINANCIAL STATEMENTS
PERIOD ENDED 31 AUGUST 2013

CONTENTS	PAGE
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	10
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditors' Report to the Members	14
Independent Auditors' Report on Regularity	16
Statement of Financial Activities (incorporating the Income & Expenditure Account)	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Financial Statements	21

ALLINGTON PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

PERIOD ENDED 31 AUGUST 2013

Registered charity name	Allington Primary School
Company registration number	08249884
Principal and registered address	Allington Primary School Hildenborough Crescent Maidstone Kent ME16 0PG
Directors – Member Governors	Miss J Dolton (Chair at 31 August 2013) (appointed 1 December 2012) Dr N Smetham (Chair at date of approval of the annual report and financial statements) (appointed 1 December 2012) Mrs S Bristow (Vice Chair) (appointed 1 December 2012) Mr M Price (appointed 1 December 2012)
Directors – Parent Governors	Mr J Allen (appointed 1 December 2012) Mr J Couchman (appointed 1 December 2012) Mrs H Crittall (appointed 1 December 2012) Mrs A Gazet (appointed 1 December 2012)
Directors – Local Authority Nominated Governor	Mrs A Mailing (appointed 1 December 2012)
Directors – Staff Governors	Mr M Connell (appointed 1 December 2012) Mrs J Sargeant (appointed 1 December 2012)
Director – Ex Officio Governor	Mr M Geadah (Headteacher)
Senior Management Team	Mr M Geadah (Headteacher) Mr M Connell (Deputy Headteacher) Mrs N Woodger (SENCO) Mrs J Hayes (Inclusion Leader)
Auditors	Day Smith and Hunter Globe House Eclipse Park Sittingbourne Road Maidstone Kent ME14 3EN
Bankers	Lloyds Bank 18 Week Street Maidstone Kent ME14 1PL

ALLINGTON PRIMARY SCHOOL

TRUSTEES' REPORT

PERIOD ENDED 31 AUGUST 2013

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period from incorporation on 1 December 2012 to 31 August 2013

Structure, Governance and Management

Constitution

Allington Primary School is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Allington Primary School are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Allington Primary School.

Trustees who served during the year are listed in the Reference and Administrative Details on page 1.

Members' Liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

Allington Primary School has purchased insurance to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Allington Primary School business. The insurance provides cover up to £2,000,000 for Governors' liability on any one occurrence.

Principal Activities

The Trust's object specifically restricted to the following: advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum known as Allington Primary School.

Allington Primary School seeks to be at the heart of the local community, promoting community cohesion and sharing its facilities and resources with other schools and the wider community.

Assessment of pupil's performance is used as the primary means to measure and deliver successful outcomes as they apply to maintained schools.

Method of Recruitment and Appointment or Election of Trustees

Under the Articles of Association, the Members may appoint up to four Governors. Up to two Staff Governors may be appointed, in addition to the Headteacher who is treated as an *ex officio* Governor. The total number of Governors (including the Headteacher) who are employees of the School must not exceed one third of the total number of Governors. The Local Authority may appoint a Local Authority Governor.

Parent Governors are elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time of them being elected.

ALLINGTON PRIMARY SCHOOL
TRUSTEES' REPORT (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

Method of Recruitment and Appointment or Election of Trustees (continued)

Any election of Parent Governors which is contested shall be held by secret ballot. If the number of parents standing for election is less than the number of vacancies then the Governing Body will appoint Parent Governor(s) to make the number up to the required level. In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the School but where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The Governors may appoint up to three Co-opted Governors. Co-opted Governors are appointed by Governors who are not themselves co-opted. Employees of the School may not be a Co-opted Governor if the number of Governors who are employees would exceed one third of the total number of Governors.

The Secretary of State may give a warning notice to the Governors under circumstances laid out in the Articles of Association.

The Governing Body at Allington Primary School comprises

- Four Member nominated Governors,
- Four elected Parent Governors and two elected Staff Governors, and
- The Local Education Authority (Kent County Council) appointed one Governor

The term of office for Governors is four years.

When seeking new Co-opted Governors the Chair assesses the skill-set of the current Governors and considers, in consultation with the Governing Body, what qualities and experience would enhance the team for the benefit of the Academy. No Co-opted Governors have been appointed during the year.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Governors are given a tour of the School and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

All Governors are encouraged to attend training provided by Kent County Council Governor Services.

Organisational Structure

The organisational structure exists at three levels: the Board of Trustees, the Governing Body, and the Senior Leadership Team. The Board of Trustees maintains a strategic overview of Allington Primary School performance and adherence to the terms within the Funding Agreement. The Governing Body is responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

An Audit Committee was established by the Governing Body to review the findings of audits.

As from September 2013, the Governing Body of Allington Primary School will operate to a "Two Team" Model of Governance, comprising the Learning and Development Committee and the Resources Committee. The

ALLINGTON PRIMARY SCHOOL
TRUSTEES' REPORT (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

Organisational Structure (continued)

Learning and Development Committee will have a focus on teaching and learning, curriculum, personnel, pupils and pupil welfare. The Resources Committee will have a focus on finance, premises, resources, ICT, and new developments and projects. The Resources Committee will also undertake the formal role of Audit Committee.

Other committees are Staff Discipline Committee and Appeals Committee, which are formed by the Board of Trustees from the pool of Governors as the need arises.

The Governors on the committees have powers delegated to them from the full Governing Body, through Terms of Reference agreed for the Committee, to make decisions on behalf of the academy trust. The work of the Committees is reported to the following meeting of the Full Governing Body. All policies and budget decisions are decided upon by agreement of the Full Governing Body.

The Senior Leaders control the academy trust at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The Senior Leaders are responsible for the day to day operation of the academy trust, in particular organising the teaching staff, facilities and pupils.

The Headteacher is both the Principal and the Accounting Officer for the academy trust. The Governing Body agreed delegated financial authority to the Headteacher up to £5,000. All higher spending must be referred to the Governing Body.

Risk Management

The Governors have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust, and its finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. A business continuity plan has been established to mitigate the impacts of such emergencies that may arise. The Governing Body considered the Financial Management and Governance Self-Assessment and concluded the academy trust has an effective system of internal financial controls.

Connected Organisations including Related Party Relationships

Allington Primary School Academy is a member of the Maidstone West Consortium which includes Palace Wood Primary School, Brunswick House Primary School, St Michael's Infant and Junior Schools, Barming Primary School, Westborough Primary School, St Francis Primary School and Bower Grove Special School. The Consortium works in collaboration with the Local Authority to share good practice and raise standards in all of its schools.

During the year Allington Primary School assisted Kent County Council by providing leadership and teacher development support to Aylesford Primary School - a neighbouring school in special measures following an Ofsted Inspection.

We have recently become an Academy and a National Teaching School linked with a 'Federation of Schools' - four outstanding/good secondary schools (Invicta Grammar School, Valley Park School, Holmesdale Technology College and The Malling School), a good primary school (West Malling Primary School) and our local Special School (Bower Grove). This Alliance, The MidKent Learning Alliance, allows for shared expertise, resources and support for other local schools as well as offering our families outstanding education for their children across all phases.

ALLINGTON PRIMARY SCHOOL
TRUSTEES' REPORT (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

Connected Organisations including Related Party Relationships (continued)

The Teaching School Alliance is responsible for the delivery of six key areas across Kent schools. These are

- School-to-school support
- Deployment of Special Leaders of Education
- Initial Teacher Training
- Research and Development
- Continuing Professional Development
- Talent Management and Succession Planning

Objects and Activities

Our aim is to be in the top 10% of schools nationally and continue to strive to meet the aims and objectives of the school by providing a safe, caring, fun and exciting environment for learning. We believe that we have a very talented and committed staff who are dedicated to making this happen.

Our Vision is expressed as

Everybody in our school,
Is important to us all,
Safe and secure in our care,
In their success we all can share,
Taught to achieve the best they can,
Is this school's ultimate plan
Safe in knowledge
Together we grow

Objectives, Strategies and Activities

Our objectives, strategies and activities are outlined in our strategy document "Beyond Outstanding", which lays out our aspirations for the future development of the school.

Our aims are to

- Ensure all teaching is good and all teachers deliver outstanding lessons on a regular basis, conducting rigorous and robust monitoring of standards
- Address all areas of concern identified through rigorous analysis of performance data, target setting and target getting
- Design a curriculum that builds upon local and national research and utilises the best possible resources, both human and physical
- Make best use of those resources available beyond our school grounds through community links and school-to-school support
- Carry out our work as a Teaching School raising standards beyond our own, whilst continuing to deliver the best possible education for our children
- Carry out accurate and honest self-evaluation

Allington Primary School attracts pupils from a wide area well beyond its catchment which reflects the popularity of the school and the high regard the wider community has for it. As a consequence the school has expanded rapidly in recent years bringing about changes to our curriculum planning, staffing structure and premises development.

ALLINGTON PRIMARY SCHOOL
TRUSTEES' REPORT (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

Objectives, Strategies and Activities (continued)

Allington Primary School is at the heart of the local community and enjoys strong links with local groups including Castle Colts Football Club, Allington Scout Group, and Allington Guide District who use our facilities on a regular basis. We also maintain links with St Nicholas Church and Allington Playgroup.

Public Benefit

The Trustees (Directors) have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Achievements and Performance

Children at Allington Primary School have performed very well against our key targets in statutory and non-statutory tests. Data indicates that our children are making great progress from KS1 to KS2 in both English and Maths with a high percentage making two levels of progress. However, it is also recognised that the results show a need to target improvement in the performance of our KS1 children, particularly in writing. Our SEN children, and Pupil Premium children made more than the expected progress from KS1 to KS2.

ALLINGTON PRIMARY SCHOOL
TRUSTEES' REPORT (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

Achievements and Performance (continued)

The following table compares our data to Kent and National figures where available

	School	Kent	National
Reading % Level 4+	98.3	84.5	86
Writing % Level 4 +	94.9	82.9	83
Mathematics Level 4+	93.2	82.6	85
Reading/Writing/Mathematics % Level 4+	88.1	73.7	NA
Reading % Level 5	66.1	44.7	44
Writing % Level 5	62.7	31.4	30
Mathematics % Level 5	59.3	40.9	41
Reading/Writing/ Mathematics % Level 5+	50.8	22.2	NA
Reading % Level 6	1.7	0.5	NA
Writing % Level 6	0.0	1.5	NA
Mathematics % Level 6+	22.0	7.5	NA
% Making Expected Progress in Reading	98.3	86.3	NA
% Making Expected Progress in Writing	100	91	NA
% Making Expected Progress in Mathematics	98.3	85.9	NA
% Making more than Expected Progress in Reading	41.4	28.2	NA
% Making more than Expected Progress in Writing	53.4	30.6	NA
% Making more than Expected Progress in Mathematics	50	30.5	NA

Children across the school have made good progress in all other areas, however we were particularly proud of our success in sport and the talent they show for the Performing Arts

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

ALLINGTON PRIMARY SCHOOL
TRUSTEES' REPORT (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

Key Financial Performance Indicators

The success of the School is dependant on maintaining the current level of income in order to provide a sound financial base to develop and improve. The main source of income is the grant funding which is dependant on the number of pupils who choose to join the School. Maintaining our school as "Outstanding" by keeping to our values and delivering our aims and objectives will ensure we can retain the current numbers of pupils at the School and remain in a sound financial position.

The Governors recognise that a satisfactory roll-over from year-to-year is important to ensure we are resilient to unforeseen circumstances.

Financial Review

The School is full and has maximised the level of grant funding available with an income of £1,210,053 funding from educational activities. The School has also generated a further £34,701 of income principally from voluntary activities and other fund-raising activities.

In agreeing the budget for the year a roll-over on revenue of £139,000 was forecast by the Governing Body. The roll-over for the year, £100,000 was lower than forecast due to an unsuccessful capital bid and additional expenditure on resources and improvements agreed during the year. GAG funding for the year was fully spent.

Financial and Risk Management Objectives and Policies

The main source of income is funding from the EFA that is paid monthly to the School throughout the year. Given this and the planned reserves at the School the Board of Trustees does not consider they have a significant cash flow or liquidity risk.

Principal Risks and Uncertainties

The Governing Body considers the Principle Risks and Uncertainties are the retention of the number of pupils on the roll and changes in funding levels. The retention of pupil numbers is not considered a significant risk currently as the School is currently oversubscribed. Maintaining the outstanding education at the School will ensure pupil numbers remain healthy. The Governing Body considers potential changes in the future level of funding when agreeing the three year budget and ensure appropriate contingencies are included in forward plans.

The Governors also recognise that there is a risk arising from the need to use the general fund to complete capital work to maintain our premises development if we are unsuccessful in capital funding bids.

Reserves Policy

The Governing Body considers medium term budget plans to ensure any reserves held are not above the maximum allowed as laid down by the Secretary of State at any time. Reserves held will be sufficient to enable the School to continue to operate with levels of resources appropriate for the delivery of outstanding education whilst also considering Best Value. Reserves will also be sufficient to support any identified risks and to enable the Governors to plan for development. The Governing Body plans ahead and reflects this in the budget which is submitted annually. Governors also consider circumstances where higher reserves may be required especially if funding for Academies reduces.

ALLINGTON PRIMARY SCHOOL
TRUSTEES' REPORT (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

Investment Policy

The Governing Body maximises the total return on investments whilst containing the risk to an acceptable level. The academy trust has no endowment funds for investment as this would only apply to failing schools. The Governors note the current low level of return on investments and insignificant reserves available for long-term investment at the present time. A bank account has been set up to earn interest on all balances and there is a facility to sweep surplus funds to a higher earning savings account if required. The Governing Body has agreed that the Headteacher, in liaison with the Principal Finance Officer, will have the authority to move temporary cash surpluses on a weekly basis by transfer to a saving account, if it is appropriate to do so at any given time. The Governing Body will consider medium term investment when considering the budget in future years and update the policy accordingly. Periodical reports are submitted to Governors on the performance of investments.

Plans for Future Periods

Allington Primary School's plans for the future are

- To achieve the targets for KS1 and KS2 performance for 2013/14

Reading Level 4+	98%
Reading Level 5+	75%
Writing Level 4+	96%
Writing Level 5+	56%
Maths Level 4+	92%
Maths Level 5+	64%
R/W/M Level 4+	90%
R/W/M Level 5+	55%

- To advance Outstanding Teaching and Inclusion in the School
- To develop opportunities for pupil involvement and enterprise, linking with other schools and internationalism
- To further develop and maximize the use of the premises

Funds Held as Custodian Trustee on Behalf of Others

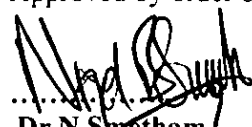
The School is part of a newly established National Teaching School Alliance and funding received for the use of the academy trust are held with the accounts of Allington Primary School. These will be transferred once the management structure of the Teaching School Alliance has been established.

Auditor

Insofar as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by order of the Board of Trustees on ^{4 December 2013} ~~10/11/13~~ and signed on its behalf by


Dr N Smetham
Chair of Trustees

ALLINGTON PRIMARY SCHOOL

GOVERNANCE STATEMENT

PERIOD ENDED 31 AUGUST 2013

As Trustees we acknowledge we have overall responsibility for ensuring that Allington Primary School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to Mr M Geadah, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Allington Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met four times during the period. Attendance during the period at meetings was as follows:

Miss J Dolton (Chair)	4
Mrs S Bristow (Vice Chair)	3
Mr M Price	1
Dr N Smetham	4
Mr J Allen	2
Mr J Couchman	3
Mrs H Crittall	4
Mrs A Gazet	1
Mrs A Mailing	4
Mr M Connell	4
Mrs J Sargeant	2
Mr M Geadah (Headteacher)	4

The Audit Committee met once during the year. Attendance at the meeting was as follows:

Mr M Price	0
Dr N Smetham	1
Mr M Geadah (Headteacher)	1

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been placed in Allington Primary School for the period 1 December 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

ALLINGTON PRIMARY SCHOOL
GOVERNANCE STATEMENT (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 December 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties, and
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an external auditor. The auditor's role includes performing a range of checks on the academy trust's financial systems. On a quarterly basis the auditor reports to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

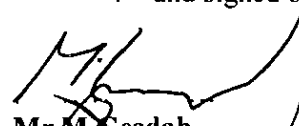
As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor, and
- the financial management and governance self-assessment process

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Governing Body and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 4 December 2013 and signed on its behalf by


Dr N Smetham
Chair of Trustees


Mr M Geadah
Accounting Officer

ALLINGTON PRIMARY SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

PERIOD ENDED 31 AUGUST 2013

As Accounting Officer of Allington Primary School I have considered my responsibility to notify the academy trust's Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust's Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Mr M Geadah
Accounting Officer

ALLINGTON PRIMARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

PERIOD ENDED 31 AUGUST 2013

The Trustees (who act as Governors of Allington Primary School and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report, and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial period. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

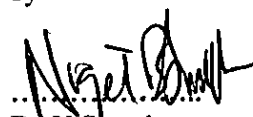
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education Funding Agency/Department for Education have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 4 December 2013 and signed on its behalf by


Dr N Smetham
Chair of Trustees

ALLINGTON PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF ALLINGTON PRIMARY SCHOOL

We have audited the financial statements of Allington Primary School for the period from 1 December 2012 to 31 August 2013 as set out on pages 18 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the Trustees, and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

ALLINGTON PRIMARY SCHOOL

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE TRUSTEES OF ALLINGTON PRIMARY SCHOOL
(CONTINUED)**

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenses, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 with the Academies Accounts Direction 2013 issued by the EFA

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report and Governance Statement for the financial period for which the financial statements are prepared are consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

DUNCAN COCHRANE-DYET FCA (Senior Statutory Auditor)

For and on behalf of

Day Smith and Hunter
Registered Auditors & Chartered Accountants
Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

4th December 2013

ALLINGTON PRIMARY SCHOOL

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ALLINGTON PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 November 2012 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Allington Primary School during the period 1 December 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Allington Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Allington Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Allington Primary School and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Allington Primary School's Accounting Officer and the reporting auditor

The Accounting Officer is responsible, under the requirements of Allington Primary School's funding agreement with the Secretary of State for Education dated 31 August 2012 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 December 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

ALLINGTON PRIMARY SCHOOL

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO
ALLINGTON PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 December 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

DUNCAN COCHRANE-DYET FCA (Senior Statutory Auditor)

For and on behalf of

Day Smith and Hunter
Chartered Accountants & Statutory Auditor
Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

4th December 2013

ALLINGTON PRIMARY SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES

PERIOD ENDED 31 AUGUST 2013

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds for the Period £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income – transfer from Local Authority on conversion	25	8,068	99,872	3,840,500	3,948,440
Voluntary income	2	3,681	15,921	-	19,602
Activities for generating funds	3	7,670	7,429	-	15,099
Investment income	4	163	-	-	163
Incoming resources from charitable activities					
Funding for the Academy's educational operations	5	-	1,201,350	8,703	1,210,053
TOTAL INCOMING RESOURCES		<u>19,582</u>	<u>1,324,572</u>	<u>3,849,203</u>	<u>5,193,357</u>
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		-	6,882	-	6,882
Fundraising trading		790	-	-	790
Charitable activities					
Academy's educational operations	7	-	1,190,691	85,415	1,276,106
Governance cost	8	-	12,780	-	12,780
Other resources expended					
Transfer from Local Authority on conversion	25	-	290,000	161,892	451,892
TOTAL RESOURCES EXPENDED		<u>790</u>	<u>1,500,353</u>	<u>247,307</u>	<u>1,748,450</u>
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		18,792	(175,781)	3,601,896	3,444,907
GROSS TRANSFERS BETWEEN FUNDS		-	(38,268)	38,268	-
NET INCOME/(EXPENDITURE) FOR THE PERIOD		18,792	(214,049)	3,640,164	3,444,907
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial losses on defined benefit pension scheme		-	(79,000)	-	(79,000)
Total funds carried forward at 31 August 2013		<u>18,792</u>	<u>(293,049)</u>	<u>3,640,164</u>	<u>3,365,907</u>

All of the academy trust's activities derive from acquisitions in the current financial period

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes on pages 21 to 37 form part of these financial statements


ALLINGTON PRIMARY SCHOOL

BALANCE SHEET AS AT 31 AUGUST 2013

	<u>Notes</u>	<u>2013</u> <u>£</u>
Fixed assets		
Tangible fixed assets	12	3,776,551
Current assets		
Debtors	13	68,241
Cash at bank and in hand		166,036
		<u>234,277</u>
Creditors: amounts falling due within one period	14	<u>(168,874)</u>
Net current assets		<u>65,403</u>
Total assets less current liabilities		<u>3,841,954</u>
Creditors amounts falling due after one year	15	<u>(102,047)</u>
Net assets excluding pension liability		<u>3,739,907</u>
Pension scheme liability		<u>(374,000)</u>
Net assets including pension liability		<u><u>3,365,907</u></u>
Funds		
Restricted funds		
General fund	17	80,951
Pension reserve	17	(374,000)
Fixed asset fund	17	<u>3,640,164</u>
		3,347,115
Unrestricted funds		
General fund	17	<u>18,792</u>
Total funds		<u><u>3,365,907</u></u>

The financial statements have been approved, and authorised for issue, by the Trustees on
A DECEMBER 2013 and signed on their behalf by


Dr N Smith
Chair of Trustees


Mr M Gendah
Headteacher

Registered Company Number 08249884

The notes on pages 21 to 37 form part of these financial statements

ALLINGTON PRIMARY SCHOOL
CASH FLOW STATEMENT
PERIOD ENDED 31 AUGUST 2013

	<u>Notes</u>	<u>2013</u> <u>£</u>
Net cash inflow from operating activities	19	178,636
Returns on investment and servicing of finance	20	163
Capital expenditure	21	<u>(12,763)</u>
Increase in cash		<u><u>166,036</u></u>

All of the cash flows are derived from acquisitions in the current financial period

The notes on pages 21 to 37 form part of these financial statements

ALLINGTON PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 AUGUST 2013

1. Statement of accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion

The conversion from a state maintained school to the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the predecessor school to the Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the academy trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital gains are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital gains are reflected in the balance in the restricted fixed asset fund.

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

1. Statement of Accounting policies (continued)

- **Sponsorship**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in letting and other activities that raise funds

- **Charitable activities**

These are costs incurred on the academy trust's educational operations

- **Governance costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and directors' meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

1. Statement of Accounting policies (continued)

Tangible Fixed Assets (continued)

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use

Long leasehold land and buildings are valued upon conversion at depreciated replacement cost

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy

Depreciation is provided on all tangible fixed assets other than freehold land and buildings, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows

Motor vehicles	20% on cost
Computer equipment	33% on cost
Equipment fixtures & fittings	20% on cost
Leasehold land and buildings	2% on cost

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities

Operating lease transactions

Rentals under operating leases are charged on straight line basis over the lease term

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

1. Statement of Accounting policies (continued)

Pensions Benefits (continued)

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each period.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the objects of the academy trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied for specific capital purposes imposed by the EFA, the DfE or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the EFA and DfE.

2. Voluntary income

	Unrestricted Funds	Restricted Funds	Total 2013
		£	£
Trip income	-	15,921	15,921
Other grants and donations	3,681	-	3,681
	<u>3,681</u>	<u>15,921</u>	<u>19,602</u>

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

3. Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total funds £
Catering	1,074	-	1,074
Uniform	-	4,885	4,885
Hire of facilities	6,596	-	6,596
Other	-	2,544	2,544
	<u>7,670</u>	<u>7,429</u>	<u>15,099</u>

4. Investment income

	Unrestricted Funds £	Restricted Funds £	Total funds £
Interest on short-term deposits	<u>163</u>	<u>-</u>	<u>163</u>

5. Funding for the academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,107,334	-	1,107,334
Start up grants	-	25,000	-	25,000
Capital grants	-	-	8,703	8,703
Other DfE/EFA grants	-	10,754	-	10,754
	<u>-</u>	<u>1,143,088</u>	<u>8,703</u>	<u>1,151,791</u>
Other government grants				
Local authority grants	-	57,927	-	57,927
Other educational projects	-	335	-	335
	<u>-</u>	<u>58,262</u>	<u>-</u>	<u>58,262</u>
	<u>-</u>	<u>1,201,350</u>	<u>8,703</u>	<u>1,210,053</u>

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

6. Resources expended

	Staff Costs	Premises	Other Costs	Total
	£	£	£	£
Costs of generating voluntary income	-	-	-	-
Costs of activities for generating funds	790	-	6,882	7,672
Academy trust's educational operations:				
Direct costs	879,359	76,515	90,021	1,045,895
Allocated support costs	75,475	99,200	55,536	230,211
Cost upon conversion	-	-	451,892	451,892
	<u>955,624</u>	<u>175,715</u>	<u>604,331</u>	<u>1,735,670</u>
Governance costs including allocated support costs	2,000	-	10,780	12,780
	<u>957,624</u>	<u>175,715</u>	<u>615,111</u>	<u>1,748,450</u>

Resources expended include:

	2013
	£
Fees payable to auditor	
Audit	3,500
Other fees payable to auditor	1,100
	<u>4,600</u>

7. Charitable activities – Academy's educational operations

	Unrestricted Funds	Restricted Funds	Total funds
	£	£	£
Direct costs			
Teaching and educational support staff costs	-	879,359	879,359
Depreciation	-	82,865	82,865
Technology costs	-	8,572	8,572
Educational supplies	-	43,326	43,326
Staff development	-	10,473	10,473
Educational consultancy	-	20,368	20,368
Other direct costs	-	932	932
	<u>-</u>	<u>1,045,895</u>	<u>1,045,895</u>
Allocated support costs			
Support staff costs	-	75,475	75,475
Depreciation	-	2,550	2,550
Technology costs	-	6,779	6,779
Recruitment and support	-	1,258	1,258
Maintenance of premises and equipment	-	40,714	40,714
Cleaning	-	5,763	5,763
Rent and rates	-	3,885	3,885
Insurance	-	24,492	24,492
Energy and water	-	22,987	22,987
Catering	-	12,836	12,836
Bank interest and charges	-	1,190	1,190
Security and transport	-	1,358	1,358
Other support cost	-	30,924	30,924
	<u>-</u>	<u>230,211</u>	<u>230,211</u>
	<u>-</u>	<u>1,276,106</u>	<u>1,276,106</u>

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

8. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total funds £
Legal and professional fees	-	5,391	5,391
Auditor's remuneration			
Audit of financial statements	-	3,500	3,500
Other audit costs	-	1,100	1,100
Support staff costs	-	2,000	2,000
Expenses and other costs	-	789	789
	-	12,780	12,780

9. Staff costs and emoluments

Staff costs during the period were

	2013 £
Wages and salaries	755,516
Social security costs	48,717
Pension costs	126,484
	930,717
Supply teacher costs	26,906
	957,623

The average number of persons (including senior management team) employed by the academy trust during the period expressed as full time equivalents was as follows

2013

Charitable Activities

Teachers	17
Management, administration and support	18
	35

10. Related party transactions – Trustees' remuneration and expenses

The Headteacher and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. The value of Staff Trustees' remuneration was as follows

Headteacher	£95,001 - £100,000
Mr M Connell	£50,001 - £55,000
Mrs J Sargeant	£5,001 - £10,000

Other related party transactions involving the Trustees are set out in note 26

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

11. Trustees' and officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on the academy trust's business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

12. Tangible fixed assets

	Motor vehicles £	Computer Equipment £	Equipment fixtures and fittings £	Freehold land and buildings £	Total £
Cost					
Transfer on conversion	3,500	5,000	20,000	3,812,000	3,840,500
Additions	-	7,726	-	13,740	21,466
At 31 August 2013	<u>3,500</u>	<u>12,726</u>	<u>20,000</u>	<u>3,825,740</u>	<u>3,861,966</u>
Depreciation					
Charge for the period	700	4,200	4,000	76,515	85,415
At 31 August 2013	<u>700</u>	<u>4,200</u>	<u>4,000</u>	<u>76,515</u>	<u>85,415</u>
Net book value					
At 31 August 2013	<u>2,800</u>	<u>8,526</u>	<u>16,000</u>	<u>3,749,465</u>	<u>3,776,551</u>

Upon transfer into the academy trust on conversion, the freehold land and buildings were valued on the basis of depreciated replacement cost as at 31 March 2013 by Mouchel, a firm of professional property valuers.

13. Debtors

	2013 £
VAT repayment due	43,511
Other debtors	4,512
Prepayments	20,218
	<u>68,241</u>

14. Creditors: Amounts falling due within one year

	2013 £
Loans due in one year	34,340
Trade creditors	24,594
Deferred income	9,906
Other	74
Accruals	99,960
	<u>168,874</u>

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

15. Creditors: Amounts falling due after more than one year

	2013 £
Loans due in two to five years	<u>102,047</u>

16. Funds

	Incoming resources £	Resources Expended £	Gains, losses & transfers £	31 August 2013 £
Restricted general funds				
General Annual Grant (GAG)	1,107,334	(1,069,065)	(38,269)	-
Other DfE/EFA grants	35,754	(35,754)	-	-
Other restricted projects	65,691	(65,691)	-	-
Trip income	15,921	(15,921)	-	-
Pension reserve	-	(295,000)	(79,000)	(374,000)
Assets gifted on conversion	99,872	(18,922)	1	80,951
	<u>1,324,572</u>	<u>(1,500,353)</u>	<u>(117,268)</u>	<u>(293,049)</u>
Restricted fixed asset funds				
DfE/EFA capital grants	8,703	(174)	-	8,529
Assets gifted on conversion	3,840,500	(82,590)	-	3,757,910
Liability adopted on conversion	-	(161,892)	25,505	(136,387)
Capital expenditure from GAG	-	(2,651)	12,763	10,112
	<u>3,849,203</u>	<u>(247,307)</u>	<u>38,268</u>	<u>3,640,164</u>
Total restricted funds	<u>5,173,775</u>	<u>(1,747,660)</u>	<u>(79,000)</u>	<u>3,347,115</u>
Total unrestricted funds	<u>19,582</u>	<u>(790)</u>	<u>-</u>	<u>18,792</u>
Total funds	<u>5,193,357</u>	<u>(1,748,450)</u>	<u>(79,000)</u>	<u>3,365,907</u>

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it would carry forward to 31 August 2013

Other DfE/EFA grants include a start- up grant of £25,000 to fund conversion to an academy trust

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	3,776,551	3,776,551
Current assets	18,792	215,485	-	234,277
Current liabilities	-	(134,534)	(34,340)	(168,874)
Long term liabilities	-	-	(102,047)	(102,047)
Pension scheme liability	-	(374,000)	-	(374,000)
Total Funds	<u>18,792</u>	<u>(293,049)</u>	<u>3,640,164</u>	<u>3,365,907</u>

ALLINGTON PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

18. Financial commitments

Operating leases

At 31 August 2013 the academy trust has annual commitments under non-cancellable operating leases as follows

	2013 £
<u>Other</u>	
Expiring within one year	<u>6,300</u>

19. Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2013 £
Net incoming resources	3,444,907
Depreciation	85,415
Pension liability transferred on conversion to an academy trust	290,000
Fixed assets transferred on conversion	(3,840,500)
Capital grants from DfE and other capital income	(8,703)
Interest receivable (note 4)	(163)
FRS 17 pension cost less contributions payable (note 24)	(4,000)
FRS 17 pension finance income (note 24)	9,000
Increase in debtors	(68,241)
Increase in creditors	<u>270,921</u>
Net cash inflow from operating activities	<u>178,636</u>

20. Returns on investments and servicing of finance

	2013 £
Interest received	<u>163</u>
Net cash inflow from returns on investment and servicing of finance	<u>163</u>

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

21. Capital expenditure and financial investment

	2013
	£
Purchase of tangible fixed assets	21,466
Capital grants from DfE/EFA	(8,703)
Net cash inflow from capital expenditure and financial investment	<u>12,763</u>

22. Analysis of changes in net funds

	Cash flows
	£
Cash in hand and at bank	<u>166,036</u>

23. Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one period after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member

24. Pension and similar obligations

The academy trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme ('LGPS') for non-teaching staff, which is managed by the Kent County Council Pension Fund Both are defined-benefit schemes

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS was 31 March 2010

There were no outstanding or prepaid contributions at the end of the financial period

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

24. Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The TPS is statutory, contributory defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out under regulations made under the Superannuation Act (1972), and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis, and these contributions along with those made by the employer, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pension Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers Pension Scheme

At the last valuation, the contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ('SCR') is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 periods). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined but it is likely to be before the reformed schemes are introduced in 2015.

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

24. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of $1/57^{\text{th}}$, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contributions rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £53,000, of which employer's contributions totalled £43,000 and employees' contributions totalled £10,000. The agreed contribution rates for future periods are 23.1% for employers and employees contributions are dependent on the level of their full-time equivalent salary ranging from 5.5% to 7.5%.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

24. Pension and similar obligations

Principal actuarial assumptions

	At 31 August 2013 % pa
Rate of increase in salaries	5.1
Rate of increase for pensions in payment/inflations	2.9
Discount rate for scheme liabilities	4.7
Inflation assumption (CPI)	2.9

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are

	At 31 August 2013
<i>Retiring today</i>	
Males	20.1
Females	24.1
<i>Retiring in 20 periods</i>	
Males	22.1
Females	26.0

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31.8.2013 % pa	Fair value at 31.8.2013 £
Equities	6.6	133,000
Gilts	3.5	-
Other bonds	4.4	22,000
Property	4.6	15,000
Target return portfolio	5.0	7,000
Other	0.5	7,000
Total market value of assets		184,000
Present value of scheme liabilities		
- Funded		(558,000)
Deficit in the scheme		(374,000)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The return on gilts and other bonds is assumed to be in line with gilt yield and corporate bond yield respectively at the relevant date. The expected returns on equities and properties are then assumed to a margin above gilt yields.

The actual return on the scheme assets in the period was £6,000

ALLINGTON PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

24. Pension and similar obligations

Amounts recognised in the statement of financial activities

	31.8.2013 £
Current service cost (net of employee contributions)	39,000
Past service cost	-
Total operating charge	<u>39,000</u>

Analysis of pension finance income/(costs)

	31.8.2013 £
Expected return on pension scheme assets	6,000
Interest on pension liabilities	<u>(15,000)</u>
Pension finance costs	<u>(9,000)</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £79,000 loss.

Movements in the present value of defined benefit obligations were as follows:

	£
At 1 September 2012	
Current service cost	405,000
Interest cost	39,000
Employee contributions	15,000
Actuarial losses	10,000
Benefits paid	89,000
Past service cost	-
Curtailments and settlements	-
At 31 August 2013	<u>558,000</u>

ALLINGTON PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD ENDED 31 AUGUST 2013

24. Pension and similar obligations (continued)

Movements in fair value of academy trust's share of scheme assets:

	£
At 1 September 2012	
Expected return on assets	115,000
Actuarial gains	6,000
Employer contributions	10,000
Employee contributions	43,000
Benefit paid	10,000
At 31 August 2013	<u>184,000</u>

The estimated value of employer contributions for the period ended 31 August 2014 is £56,000

Experience adjustments on share of scheme assets

Amount £10,000

Experience adjustments on scheme liabilities

Amount £nil

25. Conversion to an academy trust

On 1 December 2012 Allington Primary School converted from a Foundation School to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Allington Primary School (academy trust) from the Kent Local Authority for nil consideration, including the land and buildings

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised as incoming resources/resources expended in the statement of financial activities as voluntary income/other reserves expended. Included within the value of assets transferred are the freehold land and buildings which comprise the school site, and which were subject to a valuation by a firm of professional property valuers on a depreciated replacement cost basis as at 31 March 2013 as commissioned by the EFA. The Trustees have adopted this valuation in the preparation of the financial statements

ALLINGTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD ENDED 31 AUGUST 2013

25. Conversion to an Academy Trust (continued)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total £
Tangible fixed assets	-	-	3,840,500	3,840,500
Budget surplus on LA funds	-	99,872	-	99,872
Budget surplus on other school funds	8,068	-	-	8,068
LGPS pension deficit	-	(290,000)	-	(290,000)
Borrowing obligations	-	-	(161,892)	(161,892)
Total funds	8,068	(190,128)	3,678,608	3,496,548

The above net assets include £107,940 that were transferred as cash

26. Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it can be inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations should be conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

Apart from salaries paid to Staff Trustees, no related party transactions took place in the period of allocation.